

WHOLESALE POWER CONTRACT - FEDERATED COOPERATIVE

AGREEMENT made as of JAN 7 1963 19__ between WESTERN ILLINOIS POWER COOPERATIVE, INC. (hereinafter called the "Federation") a corporation organized and existing under the General Not For Profit corporation laws of the State of Illinois and Rural Electric Convenience Cooperative Co. (hereinafter called the "Member"), a corporation organized and existing under the General Not For Profit corporation laws of the State of Illinois.

WHEREAS, the Federation proposes to construct an electric generating plant or transmission system or both, and may purchase or otherwise obtain electric power and energy for the purpose, among others, of supplying electric power and energy to borrowers from the Rural Electrification Administration which are or may become members of the Federation; and

WHEREAS, the Federation has heretofore entered into or is about to enter into agreements for the furnishing and supplying of electric power and energy and pooling of power costs similar in form to this agreement with all of the borrowers which are members of the Federation, and may enter into similar contracts with other such borrowers who may become members, and

WHEREAS, the Member desires to obtain electric power and energy from the Federation and to pool with all members of the Federation the costs of power supply, whether ~~through~~ acquired from the Federation or other suppliers or generated by its own facilities, or any combination thereof, on the terms and conditions herein set forth.

NOW THEREFORE, in consideration of the mutual undertakings herein contained the parties hereto agree as follows:

1. General. The Federation shall furnish and deliver to the Member and the Member shall take and receive from the Federation all electric power and energy which the Member shall require for the operation of the

Member's system to the extent that the Federation shall have such power and energy and facilities available; provided, however, that the Member shall have the right to continue to purchase electric power and energy under any existing contract or contracts with a supplier other than the Federation during the remainder of the term thereof. The Member shall terminate, if the Federation shall, with the approval or at the direction of the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), so request, any such existing contract or contracts with a supplier other than the Federation at such times as it may legally do so, provided the Federation shall have sufficient electric power and energy and facilities available for the Member.

2. Electric Characteristics and Delivery Point(s). Electric power and energy to be furnished hereunder shall be alternating current, three phase, four wire, sixty cycle. The Member shall make and pay for all final connections between the systems of the Federation and the Member at the point(s) of delivery. The point(s) of delivery, delivery voltage and initial capacity shall be:

Sicily Substation - 34.5KV - 1000KVA

Located in the NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 11, T13N, R4W, 3rd P.M.,
Christian County, Illinois.

and such other point or points as may be agreed upon by the Federation and the Member.

3. Substation. The Federation shall install, own, and maintain the necessary substation equipment at the point(s) of connection. The Member shall own and maintain switching and protective equipment which may be reasonably necessary to enable the Member to take and use the electric power and energy hereunder and to protect the system of the Federation. Meters and metering equipment shall be furnished, maintained and read by

the Federation and shall be located at the point of delivery on the low voltage side of such transforming equipment.

4. Basis for Assessment (a) The Member shall be assessed and settle with the Federation for all electric power and energy furnished hereunder in accordance with the assessment schedule and on the terms and conditions set forth in Assessment Schedule A, attached hereto and made a part hereof.

(b) The Board of Directors of the Federation at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the assessment schedule for electric power and energy furnished hereunder and under similar agreements with other Members and, if necessary shall revise such assessment schedule so that it shall produce revenues which shall be sufficient, but only sufficient, with the revenues of the Federation from all other sources, to meet the cost of the operation and maintenance (including without limitation, replacements, insurance, taxes and administrative and general overhead expenses) of the generating plant, transmission system and related facilities of the Federation, the cost of any power and energy purchased for resale hereunder by the Federation, the cost of transmission service, make payments on account of principal of and interest on all indebtedness of the Federation, and to provide for the establishment and maintenance of reasonable reserves, provided, however, that the Energy Surcharge provisions of Assessment Schedule A, applicable to Illinois Rural Electric Co. shall not be revised or eliminated by the board of directors of Federation without the unanimous consent of all members of the Federation. The Federation shall cause a notice in writing to be given to the Member and other members of the Federation and the Administrator which shall set out all the proposed revisions of the assessment schedule with the effective date thereof, which shall be not less than thirty (30) nor more than forty-five (45) days after the date

and shall set forth the basis upon which the assessment

schedule is proposed to be adjusted and established. The Member agrees that the assessment schedule from time to time established by the Board of Directors of the Federation shall be deemed to be substituted for the assessment schedule herein provided and agrees to settle for electric power and energy furnished by the Federation to it hereunder after the effective date of any such revisions in accordance with such revised assessment schedule; provided, however, that no such revision shall be effective unless approved in writing by the Administrator.

5. Meter Readings and Settlements. The Federation shall read meters monthly. Electric power and energy furnished hereunder shall be settled for at the office of the Federation in Camp Point, Illinois, monthly within fifteen (15) days after statement therefor is mailed to the Member. If the Member shall fail to settle for and pay any such assessment within such fifteen day period, the Federation may discontinue delivery of electric power and energy hereunder upon fifteen (15) days' written notice to the Member of its intention so to do.

6. Meter Testing and Assessment Adjustment. The Federation shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months. The Federation shall also make special meter tests at any time at the Member's request. The costs of all tests shall be borne by the Federation; provided, however, that if any special meter test made at the Member's request shall disclose that the meters are recording accurately, the Member shall reimburse the Federation for the cost of such test. Meters registering not more than two percent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period the Member and the Federation shall agree

and the Federation

shall render a statement therefor.

7. Notice of Meter Reading or Test. The Federation shall notify the Member in advance of the time of any meter reading or test so that the Member's representative may be present at such meter reading or test.

8. Right of Access. Duly authorized representatives of either party hereto shall be permitted to enter the premises of the other party hereto at all reasonable times in order to carry out the provisions hereof.

9. Continuity of Service. The Federation shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God or of the public enemy, or because of accident, labor troubles, or any other cause beyond the control of the Federation, the Federation shall not be liable therefor or for damages caused thereby.

10. (a) Pooling of Costs. Notwithstanding that the Federation, pending construction of necessary facilities or completion of necessary contract arrangements with other suppliers, may not supply all or any part of the electric requirements of the Member, the cost of power supply of the Member and all other members of the Federation shall be pooled in the following manner: The costs of power supply, whether obtained from the Federation or other suppliers or generated by its own facilities, shall be considered the costs of the Federation for purposes of determining an assessment schedule in accordance with the provisions of Section 4 hereof which shall apply uniformly to all members of the Federation, subject, however, to the Energy Surcharge provisions as set forth in Assessment Schedule A. The Federation shall credit the Member with all payments made by the Member on account of the cost of its power supply, including payments for power purchased from other suppliers, the costs of generation, and the costs of ownership, operation and maintenance

of transmission facilities, including substations. These credits shall be made as set forth in Credit Schedule B.

(b) The Member shall not enter into any new contract for the purchase of power from a supplier other than the Federation or construct any additional generation or transmission facilities including substations without the consent of the Federation and the Administrator. It is the intention of the Member and the Federation that the Federation shall own all generation and transmission facilities, including substations, existing and future, which may be needed to supply the electric requirements of the Member and that the necessary property transfers will be carried out on terms and conditions and at such time or times which shall be mutually acceptable to the Member and the Federation, subject to the approval of the Administrator.

11. Term. This agreement shall become effective when approved in writing by the Administrator and shall remain in effect until June 30, 2007, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate, provided, however, that the Member may terminate this Agreement on two years' written notice to the Federation if, after refusal of the Federation to take necessary action to obtain a loan for generation or transmission facilities from the Administrator, the Member, either individually or through a cooperative of which it is a member, obtains a loan from the Administrator for such facilities.

EXECUTED The day and year first above mentioned.

WESTERN ILLINOIS POWER COOPERATIVE, INC.
(Federation)

ATTEST:

By John Sargent
President

Harold S. Huey
Secretary

Rural Electric Convenience Cooperative Co.
(Member)

ATTEST:

By Walter W. Johnston
President

Stanley Otten
Secretary

WHOLESALE POWER CONTRACT - FEDERATED COOPERATIVE

REVISED

ASSESSMENT SCHEDULE A

(First Page Only Revised)

Effective August 1, 1967 for Billing for Month of July, 1967 and thereafter

Applicability

Applicable to all cooperative associations which are or shall be members of Western Illinois Power Cooperative, Inc. The electric energy furnished hereunder shall be separately metered and assessed on a monthly basis for each delivery point and shall be determined as follows:

Demand Factor:

One and 40/100 Dollars (\$1.40) per Kw for the demand factor.

Energy Factor:

Seven and 60/100 Mills (\$.0076) per Kwh for the energy factor.

Minimum Assessment

The minimum assessment during any month shall be an amount equal to the assessment attributable to the highest maximum demand established in the current or any other of eleven preceding months.

ASSESSMENT SCHEDULE A

Applicability

Applicable to all cooperative associations which are or shall be members of Western Illinois Power Cooperative, Inc. The electric energy furnished hereunder shall be separately metered and assessed on a monthly basis for each delivery point and shall be determined as follows:

Demand Factor:

One and 40/100 Dollars (\$1.40) per KW for the demand factor.

Energy Factor:

Seven and 50/100 Mills (\$.0075) per KWH for the energy factor.

Energy Surcharge:

There shall be added to the monthly assessment computed under the applicable assessment schedule a surcharge to Illinois Rural Electric Co., beginning with the initial monthly assessment, an amount computed in accordance with the following schedule:

| <u>Period</u> | <u>Mills/KWH</u> |
|-----------------------------|------------------|
| First 12 months | 2.25 |
| Second 12 months | 2.25 |
| Third 12 months | 2.00 |
| After third 12-month period | None |

At the end of each 12-months period to which the surcharge applies, Illinois Rural Electric Co. shall be credited with savings resulting from (a) economy energy transactions and (b) sale of excess capacity in generating facilities of the Federation. However such credit shall not exceed the total surcharge during that 12-months period.

Minimum Assessment

The minimum assessment during any month shall be an amount equal to the assessment attributable to the highest maximum demand established in the current or any other of eleven preceding months.

Demand Factor

The demand factor shall be the highest integrated demand in kw measured over a 30-minute period during the assessment month. Where the demand is measured in kva and over a 15-minute interval, the following adjustments shall be made:

1. The 15-minute demand shall be multiplied by 0.985 in order to adjust for a 30-minute demand.
2. Where the demand is measured in kva and kw is not available, the measured demand shall be multiplied by .95 or such other power factor as may be determined by measurement at time of members' peak demand.

Fuel Adjustment

There shall be added to or subtracted from the monthly assessment computed under the assessment schedule an amount determined by totaling the total dollars of fuel adjustment on the monthly power invoices rendered by the various power suppliers, and adding or subtracting any increase or decrease in the total difference in fuel cost using as a base 22¢ per 10⁶ BTU at the Pearl generating plant and 46.25¢ per 10⁶ BTU for gas and 73¢ per 10⁶ BTU for oil, at the Pittsfield generating plant, and 45.25¢ per 10⁶ BTU for gas and 73¢ per 10⁶ BTU for oil, at the Winchester generating plant, the amount of fuel adjustment shall be determined as follows:

$$\text{Monthly adjustment for fuel} = \text{TFA} \times \frac{\text{MKWH}}{\text{TMKWH}}$$

TFA - Total monthly fuel adjustment
MKWH - Total kwh assessed to member during month
TMKWH - Total kwh assessed to all members during month

Power Factor

Members will normally be required to maintain power factor at points of delivery at least 90% lagging. When the power factor measured at the time of peak demand is less than 90% lagging, the assessment attributable

to the demand factor shall be determined by multiplying the measured demand by .9 and dividing by the power factor measured at the time of peak demand.

Metering

Metering shall be at the distribution side of the members' substation. Where metering is at the supply side, the meter reading, both demand and energy, shall be reduced by 2%. For bulk delivery reduce demand and energy meter readings an additional 2%.

Tax Clause

Any tax payment imposed by the various power suppliers for the reasons stated in the Tax Clause provision of the existing wholesale power contract with suppliers other than the Federation, will be prorated among all the members in relation to their respective KWH of metered energy as adjusted hereunder and the total KWH of energy assessed to all members during the month.

CREDIT SCHEDULE B

Applicability

Applicable to all cooperative associations which are or shall be members of Western Illinois Power Cooperative, Inc. where such member associations purchase power and energy from other suppliers or where such cooperative associations generate power, own, operate and maintain transmission line and switching facilities or transmission or distribution substations. This schedule shall apply pursuant to Section 10 (a) "Pooling of Costs" in this wholesale power contract.

Credit Schedule

Transmission Facilities and Substations

Cost of Ownership - 5% of investment.

Cost of Operation and Maintenance

| | |
|--|----------------------------------|
| Distribution substations | \$600.00 per substation per year |
| 69 kv transmission line | \$100.00 per mile per year |
| 34.5 kv transmission line | \$70.00 per mile per year |
| Transmission switching facilities and transmission stepdown facilities | 1% of investment |

Purchase Power Cost

Payments for purchase power to power suppliers, as evidenced by monthly invoices from such suppliers.

Generation Cost

Cost as reported on operating report, REA Form 12, "Operating Report - Steam Plant" and "Operating Report - Internal Combustion Plant." These costs are to include total production expense plus prorated costs of depreciation, taxes, interest and insurance.

SUPPLEMENTAL AGREEMENT

AGREEMENT made as of JAN 7 1963 19 , between WESTERN ILLINOIS POWER COOPERATIVE, INC. (hereinafter called the "Federation"), Rural Electric Convenience Cooperative Co (hereinafter called the "Member"), and the United States of America, acting through the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"),

WHEREAS, the Federation and the Member have entered into a contract for the furnishing and supplying of electric power and energy, which contract is attached hereto and is hereinafter called the "Power Contract"; and

WHEREAS, the execution of the Power Contract between the Member and the Federation is subject to the approval of the Administrator under the terms of the loan contracts entered into with the Administrator by the Federation and the Member respectively;

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and the approval by the Administrator of the Power Contract, the parties hereto agree as follows:

1. The Federation, the Member and the Administrator agree that if the Member, upon being requested to do so by the Federation with the approval or at the direction of the Administrator, shall fail to terminate any contract with a power supplier other than the Federation, as provided by Section 1 of the Power Contract, the Federation, or the Administrator if he shall so elect, shall have the right to enforce the obligations of the Member under the provisions of said Section 1 of the Contract by instituting all necessary actions at law or suits in equity, including, without limitation, suits for specific performance.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

ATTEST:

WESTERN ILLINOIS POWER COOPERATIVE, INC.
(Federation)

Harold S. Huey
Secretary

By

John Sargent
President

ATTEST:

Rural Electric Convenience Cooperative Co.
(Member)

Stanley Otten
Secretary

By

Walter H. Johnston
President

UNITED STATES OF AMERICA

By

Richard H. Wood
for Administrator of
Rural Electrification Administration